

must prepare a notice of release, Form 5200.11, in triplicate, and file the three copies of the form with the appropriate TTB officer. The appropriate TTB officer will not certify Form 5200.11 covering the release of tobacco products and cigarette papers and tubes unless the manufacturer is authorized, under part 40 of this chapter, to receive, without payment of tax, the kinds of articles set forth in the form.

(b) Importers who are either manufacturers of tobacco products and cigarette papers and tubes or export warehouse proprietors, or their authorized agents, who request the release of tobacco products or cigarette papers and tubes from customs custody in the United States under this section, using customs electronic filing procedures, must not request such release until they have received the TTB Form 5200.11 certified by the appropriate TTB officer. Once Customs releases the tobacco products or cigarette papers and tubes in accordance with 19 CFR Part 143, Customs Directives, and any other applicable instructions, the importer will send a copy of the TTB Form 5200.11 along with a copy of the electronic filing and customs release to the appropriate TTB officer at the address shown thereon. The importer will retain one copy of the TTB Form 5200.11 to meet TTB recordkeeping requirements and one copy to meet customs recordkeeping requirements.

(c) Importers or their authorized agents requesting release of tobacco products or cigarette papers and tubes from customs custody in the United States under any other authorized procedure will submit all copies of the TTB Form 5200.11 to the appropriate customs officer along with their request for release. The customs officer will verify that the TTB Form 5200.11 has been certified by the appropriate TTB officer and return all copies to the importer or the importer's authorized representative.

(d) Once Customs releases the tobacco products or cigarette papers and tubes in accordance with 19 CFR Part 143, Customs Directives, and any other applicable instructions, the importer will send a copy of the TTB Form 5200.11 along with a copy of the customs release to the appropriate TTB

office at the address shown thereon. The importer will retain one copy of the TTB Form 5200.11 to meet TTB recordkeeping requirements and one copy to meet customs recordkeeping requirements.

(72 Stat. 1418, as amended, 1423, as amended; 26 U.S.C. 5704, 5741)

[T.D. ATF-422, 64 FR 71950, Dec. 22, 1999. Redesignated and amended by T.D. TTB-16, 69 FR 52424, 52425, Aug. 26, 2004]

### **Subpart G—Puerto Rican Tobacco Products and Cigarette Papers and Tubes, Brought Into the United States**

#### **§41.101 General.**

(a) Tobacco products and cigarette papers and tubes manufactured in Puerto Rico which are brought into the United States and withdrawn for consumption or sale are subject to the tax imposed by 26 U.S.C. 7652(a), at the rates set forth in 26 U.S.C. 5701.

(b) The excise taxes collected on tobacco products and cigarette papers and tubes manufactured in Puerto Rico are covered into the Treasury of Puerto Rico. Tobacco products and cigarette papers and tubes are considered as manufactured in Puerto Rico for purposes of 26 U.S.C. 7652(a)(3) if the sum of the cost or value of the materials produced in Puerto Rico, plus the direct costs of processing operations performed in Puerto Rico, equals or exceeds 50 percent of the value of the product when it is brought into the United States.

(c) The excise tax on tobacco products and cigarette papers and tubes of Puerto Rican manufacture may be prepaid in Puerto Rico prior to shipment of such articles to the United States in accordance with §41.105. In the case of tobacco products such tax may be paid in Puerto Rico on the basis of a semi-

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monthly return in accordance with the applicable provisions of this subpart.

(68A Stat. 907, as amended, 72 Stat. 1417, 1418, as amended (26 U.S.C. 7652, 5703, 5704))

[T.D. ATF-206, 50 FR 15888, Apr. 23, 1985, as amended by T.D. ATF-232, 51 FR 28085, Aug. 5, 1986; T.D. ATF-243, 52 FR 43194, Dec. 1, 1986; T.D. ATF-246, 52 FR 669, Jan. 8, 1987; T.D. ATF-422, 64 FR 71950, Dec. 22, 1999. Re-designated and amended by T.D. TTB-16, 69 FR 52424, 52425, Aug. 26, 2004]

### PREPAYMENT OF TAX IN PUERTO RICO ON TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES

#### §41.105 Prepayment of tax.

To prepay, in Puerto Rico, the internal revenue tax imposed by 26 U.S.C. 7652(a) on tobacco products and cigarette papers and tubes of Puerto Rican manufacture to be shipped to the United States, the shipper must file, or cause to be filed, a tax return, TTB F 5000.25, with full remittance of the tax which will become due on those products.

(Approved by the Office of Management and Budget under control number 1513-0090)

[T.D. ATF-444, 73 FR 16756, Mar. 31, 2008]

#### §41.106 Record of shipment by taxpayer.

(a) *Shipments other than noncommercial mail shipments.* The taxpayer must ensure that the tax has been prepaid on the tobacco products and cigarette papers and tubes in each shipment. The taxpayer must identify the tobacco products or cigarette papers or tubes by including on the bill of lading or similar record accompanying the shipment the following information:

(1) The marks and numbers on the shipping containers;

(2) The number of containers to be shipped;

(3) The kind of taxable article(s) to be shipped and the rate of tax applicable to each kind of article, as specified in §§41.30 through 41.35;

(4) The number of small cigarettes, large cigarettes, or small cigars to be shipped;

(5) The number and total sale price of large cigars having a sale price of not more than \$235.294 per thousand before April 1, 2009, or a sale price of not more

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than \$763.222 per thousand on and after April 1, 2009, to be shipped;

(6) The number of large cigars having a sale price of more than \$235.294 per thousand before April 1, 2009, or a sale price of more than \$763.222 per thousand on and after April 1, 2009, to be shipped;

(7) The pounds and ounces of chewing tobacco or snuff to be shipped;

(8) The pounds and ounces of pipe tobacco or roll-your-own tobacco to be shipped;

(9) The number of cigarette papers or tubes to be shipped;

(10) The amount of the tax paid for each kind of article under this subpart;

(11) The name and address of the consignee in the United States to whom the products are to be shipped; and

(12) A notation identifying the particular TTB F 5000.25 by which the taxes were prepaid.

(b) *Noncommercial mail shipments.* Noncommercial mail shipments of tobacco products and cigarette papers and tubes to the United States are exempt from the requirements of paragraph (a) of this section, except that the taxpayer must provide a copy of the TTB F 5000.25 upon the request of an appropriate TTB officer.

(Approved by the Office of Management and Budget under control number 1513-0108)

[T.D. ATF-444, 73 FR 16757, Mar. 31, 2008, as amended by T.D. TTB-75, 74 FR 14485, Mar. 31, 2009; T.D. TTB-85, 75 FR 42607, July 22, 2010]

#### §§41.107-41.108 [Reserved]

### DEFERRED PAYMENT OF TAX IN PUERTO RICO ON TOBACCO PRODUCTS

#### §41.109 Bond required for deferred taxpayment.

Where a manufacturer of tobacco products in Puerto Rico desires to defer payment in Puerto Rico of the internal revenue tax imposed by 26 U.S.C. 7652(a), on tobacco products of Puerto Rican manufacture coming into the United States, he shall file a bond, Form 2986, with the appropriate TTB officer, in accordance with the provisions of this subpart. Such bond shall be conditioned on the payment, at the time and in the manner prescribed in this subpart, of the full amount of tax